

Close the tax loopholes which allow foreign corporations, American corporations with foreign operations, to pay less taxes than corporations in this country totally. Corporations who have all their operations in this country and give all their jobs and business to American workers and pour it into the American economy, they do not get the same benefits as corporations who have foreign operations.

Mr. Speaker, if we just eliminated that loophole, we would raise this figure a little bit. If we eliminated the subsidies that go to corporations for advertising products in foreign markets, we would raise it a little bit more.

In our Congressional Black Caucus alternative budget we eliminated enough loopholes to raise the revenues of the corporations up to 16 percent. If we raise it up to 16 percent and we cut the defense budget, the waste in the defense budget, we can end up with a balanced budget and we do not cut Medicare and Medicaid 1 cent.

We could end up with a balanced budget and not cut education. Instead of cutting education, education was one area where we increased the budget by 25 percent. In the Congressional Black Caucus alternative budget, education was increased by 25 percent.

Mr. Speaker, education is an investment that America needs to make. It is an investment that the Federal Government needs to make, and we gave it the highest priority. We can do that and still balance the budget and eliminate the deficit and give a tax cut, but we have to deal with the corporate tax loopholes. We have deal with the swindle, the great swindle down from 39.8 percent to 11.2 percent.

We do not have to be geniuses. Any sophomore in high school could do the figures and see, calculate the percentages and see what this figure is. It got as low as 6.2 percent. The scandal was so great, until there was an agreement that we had to do something about this figure. Corporations were paying in 1983 as little as 6.2 percent of the total tax burden, and individuals were all the way up to 48.1 percent.

What am I talking about? I am saying that there are facts and circumstances which the negotiators at the table who are going to decide on the budget that is going to set the course for America for a long time to come will not even acknowledge. They will not acknowledge this chart provides the key to balancing the budget, ending the deficit, and giving a tax cut. They will not acknowledge that a great swindle took place.

So, Mr. Speaker, I present it to you. The American people have common sense who show in the polls that they know what is happening. I say to the American people, "You be the judge. You be the judge of what ought to be happening here in Washington." This is a truth that must be acknowledged.

Another truth that must be acknowledged is the fact of the income gap. Those people who are lucky enough to

have a job, the only way that they can get more income is if we lower the taxes. They deserve a tax cut. Families and individuals making \$50,000 or less must get a tax cut. I am in agreement with the President and the gentleman from Missouri [Mr. GEPHARDT] on the kind of tax cut that we ought to have.

Mr. Speaker, we lower this figure so that the income of these people would be increased. That is justice, to bring down the tax here. It would be justice if we brought them up here, so that we do not increase the deficit at the same time.

The minimum wage would not cost the American people anything. Taxpayers do not pay a penny in terms of minimum wage increases. It means that we pay a decent wage to people in corporations and private businesses. The government sector also would have to pay additional money, although there are almost no government jobs still that are paying minimum wage. They are already above the minimum wage.

Mr. Speaker, the minimum wage is low, \$4.25 an hour. The President and the Democrats in Congress have proposed to increase this \$4.25 an hour by 90 cents over a 2-year period; 45 cents 1 year and 45 cents another year. That is the least we can do to deal with a situation which has steadily grown worse.

As the minimum wage has stagnated and stood still, the earning power of these families has gone down. So, we have a situation now where what workers make at the minimum wage pays for far less than it used to.

The minimum wage as a percent of the average nonsupervisory wage has dropped from 52 percent in 1960, to a current low of 37.7 percent. In other words, people in supervisory positions, executive positions, as a percent of wages, minimum wage earners are making 37.7 percent where they used to make about half as much as what the bosses made. The gap in the income is great and it must be attended to.

This is the 57th anniversary for the minimum wage. It was started October 24, 1938. American workers were guaranteed 25 cents an hour wage to protect them from exploitation and to be sure that their work was fairly compensated. We need to increase the minimum wage. Nobody wants to deal with the truth of the income gap and increase minimum wage.

Mr. Speaker, nobody wants to deal with the truth or the fact that as they move all of these programs, like Aid to Families with Dependent Children, like the school lunch program, like portions of Medicare, programs are being pushed down, education programs, to the State and local level. They are saying that the State and local level can handle them better and they are saying that Washington is wasteful. But in America, many States would not have these programs at all if they had to pay for them alone.

Franklin Roosevelt knew what he was doing. He was not naive. Lyndon Johnson knew what he was doing. He

was not naive. They understood when they created the New Deal programs that we had a situation where the wealth of the East and Northeast would be translated and go to the poorer States.

Mr. Speaker, let me wind up by saying my message is that Americans are on track. Their common sense, the way they read the situation in Washington, is the one that is correct.

Mr. Speaker, I say to Americans, "Do not allow anybody to confuse you. Maintain your common sense. America needs your common sense in order to get through this budget crisis."

THREE MAJOR GOALS OF THE REPUBLICAN MAJORITY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, thank you for taking the time to allow me to address the House. I would like to say that I will basically be making some comments and then yielding to my good friend, the gentleman from Kansas [Mr. TIAHRT], who will demonstrate some of what I am saying and amplify and also go on into other areas.

Mr. Speaker, really what I wanted to address the House about was why we are doing what we are doing and what are we doing.

Mr. Speaker, we have three basic goals as this Republican majority. Our first goal is to get our financial house in order and balance our Federal budget. We would like to do that no later than 7 years. We would like to do it sooner, but 7 is the outer limit to balancing that Federal budget.

Our second task is to save our trust funds, particularly Medicare, which starts to go insolvent next year and becomes bankrupt in 7 years.

Our third effort is to transform our social and corporate welfare state into an opportunity society.

Mr. Speaker, the bottom line to this effort is: Get our financial House in Order; balance our budget; save our trust funds, particularly Medicare, which is going bankrupt; and transform our social and corporate welfare state into an opportunity society.

Mr. Speaker, we have heard a lot of dialog in the last few months about whether we are cutting or increasing. The gentleman from Kansas is going to be able to demonstrate what truly is a cut and what is not, but I would like to begin to start that dialog by dealing with five issues that our colleagues on the other side of the aisle refer to as cuts.

One is the earned income tax credit; another is the School Lunch Program; another is the Student Loan Program; a fourth is the Medicaid Program; and a fifth is the Medicare Program.

Mr. Speaker, in none of these five areas did we cut the programs. We increased spending. We allow these programs to grow significantly. What we did is we slowed their growth, and slowing their growth is absolutely essential.

I have been in Congress now 8 years, but before that I was in the State House in Connecticut. As a State legislator, I had to balance our State budget. I was basically amazed that a Member of Congress could seven vote for a budget that was not balanced. Unless, obviously, our country is in hard economic times and we need an economic generator, but to do it continually when times were bad and when times were good, to continue to deficit spend.

I always vowed that if I came to Washington, that my first issue would be to get our financial house in order and balance our Federal budget. One of my first recognitions was, however, that I only got to vote on a third of the budget. I only got to vote on what came out of the Committee on Appropriations.

Mr. Speaker, we refer to what comes out of the Committee on Appropriations as discretionary spending. It is the spending that funds the domestic discretionary funding, and also foreign aid, what we call international expenditure, and the third is defense spending. All of that is voted out on 13 separate appropriations bills by the Committee on Appropriations. Sometimes we collect them all into one bill.

Mr. Speaker, what we did not get to vote on, and what I have never voted on in my now eight years in Congress, I have never been able to vote on significant changes to entitlements. Entitlements are Social Security; they are Medicare; they are Medicaid; they are certain welfare programs; they are certain farm aid programs. If a citizen fits the title, they get the expenditure.

Mr. Speaker, this Republican majority made a determination that we were not going to change Social Security, but the rest of the budget, the 75 percent that is left over, 76 or 77 percent that is left over, we would begin to address; not just the one-third that is the discretionary spending.

We made a determination with our Contract With America, which by the way is a positive plan that does not criticize Democrats, does not criticize President Clinton. It was a plan that we agreed to. Not just the individuals who are incumbent Members, but those who were challengers. We agreed that if we were elected and were the majority, we would move forward on 8 reforms in the opening day of the session and 10 reforms during the first 100 days.

One of those reforms was a balanced budget amendment. We made a determination with the balanced budget amendment that we would not just vote for a balanced budget amendment, but we would vote to balance the budget. The only way we can do that is to address the incredible challenge that

we have with our entitlements, particularly Medicare and Medicaid.

Now, what happens with the earned income tax credit? This is basically an affirmative payment that the Government makes to those who make the very least amount in our country. It is basically for the working poor, primarily. It is an attempt to get them off of welfare and not see a significant drop where they start to pay a lot of taxes. It is an effort to say they will actually get an assistance from the Government to get them up to the level where they get a livable wage.

Democrats, the minority party on the other side of the aisle, they say that we are cutting the earned income tax credit. What is happening with the earned income tax credit is that it is going from \$19.8 billion this year to \$27.5 billion in the seventh year, the year 2002. Only in this place, in Washington, when we go from \$19.8 billion to \$27.5 billion could anyone literally call it a cut.

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It is nothing, it cannot even come close to being called a cut. It is going to grow, and it is going to expand. We are going to see a significant increase. Same thing with school lunch. School lunch over a 5-year period, now it is \$6.3 billion, it will grow to \$7.8 billion. How can you say when something goes from \$6.3 billion to \$7.8 billion it is a cut? You cannot call it a cut. You could say we slowed the growth of spending, but that even is a 5-year plan. It continues to go up even more.

Student loan really gets me. The argument that we are cutting student loans is an absurdity. It goes from \$24.5 billion this year. In the fifth year it grows to \$33 billion. In the sixth year, it grows to \$36 billion.

In the 7th year, so from 24 to 36, it grows by 50 percent basically in 7 years. Only in Washington when you see such a large growth in student loans do people call it a cut.

What are we doing? We are saying that grace period, when you have left school and then you get a job, that grace period where the Government would pay the interest rate, we defer the payment for that grace period, but then you have to pay the interest rate. If you had a loan of \$17,000, and that \$17,000 loan during the course of payment, you would be paying an additional \$9 more a month, basically the cost of a movie and a soda, popcorn or basically the cost of a pizza, once a month.

Now, I am just going to address two issues, Medicaid and Medicare, and then I am going to yield to my colleague from Kansas.

I serve as the chairman of the task force, the working group on the Committee on the Budget overseeing health. We basically served into this process the issue of Medicaid and Medicare.

Medicaid and Medicare collectively are 17.6 percent of our budget. They are

growing, doubling basically every 6 or 7 years. They are becoming so large in their expenditure that they are squeezing out the rest of the budget, so that our domestic discretionary, our defense spending, our international, that appropriated item keeps coming down and down. We even spend, because of our incredible deficits, \$233 billion just on interest on the national debt. But what are we doing with Medicaid and Medicare?

We are going to allow Medicaid to grow with what it is today at \$89 billion to \$124 billion in the seventh year. We are going to spend, we spent in the last 7 years \$444 billion on Medicaid. In the next 7 years we are going to spend \$773 billion. We are spending \$329 billion more in the next 7 years for Medicaid. That is a 73 percent increase in spending over the next 7 years as opposed to the last 7 years. Only in this place, in this city, when you spend so much do people call it a cut.

Now, what are we doing with Medicare? Medicare is where I will end by basic comments and then yield to my colleague from Kansas. Medicare is a plan that I am so excited about. Yet, when I have gone back into my district, I have had people describe to me a plan they think we are voting on that has nothing to do with what we are voting on. I think I am against that plan. What are we doing? We spend \$178 billion today. In the seventh year we are going to spend \$273 billion. That is a 54-percent increase from now until the seventh year.

In the last 7 years we spent \$926 billion. In the next 7 years we are going to spend \$1,600 billion, or \$1.6 trillion. That is \$674 billion of new money in the next 7 years, a 73-percent increase again. But people say, OK, you are spending more, but what about all the new beneficiaries, all the new elderly? Had you added up all the new elderly on a per beneficiary, per elderly basis, we are going to go from \$4,800 per beneficiary today to \$6,700 per beneficiary in the seventh year, a 40-percent increase. So we are going to spend 40 percent more per beneficiary. Only in this city when you spend 40 percent more per beneficiary do people call it a cut.

We are spending far more than the inflation rate necessary to have an excellent program. What we are going to do is slow the growth of this program. But to do that, we have no increase, we create no new copayment and increase no copayment. We create no new deductible or increase any deductible. The beneficiary premium, part B, stays at 31.5 percent, and the taxpayer pays 68.5 percent. That is the difference, that is what the taxpayers are paying. They will continue to pay 68.5 percent. The beneficiary will continue to pay 31.5 percent. As health care cost go up, that 31.5 percent will mean that beneficiaries from part B will pay an additional amount per month as they have during each of the last 7 years where they have paid more.

Then people say, OK, I see that. I understand that. No increase in deductions. No increase in copayment. My premium stays the same. It does change for one group. If you make over \$100,000 and you are single, you pay all of Medicare part B. If you are married and you make over \$150, you pay all of Medicare part B. You still get Medicare part A as is. That has not changed.

Then the last argument is, the gentleman from Connecticut [Mr. SHAYS] and the gentleman from Kansas [Mr. TIAHRT], can I keep my doctors? Why are you kicking me out of this program? We are not. You can stay in this program. If you want the traditional Medicare Program, this 1960's model fee-for-service program with your doctors, just the way it has gone before, you get to keep that plan.

But if you want to get eyeglass care or dental care or a rebate in your copayment or a rebate in your premium or a no deduction, you will be able to join a host of plans that will be provided giving you this kind of choice.

Concluding my remarks, I get health care from the Federal Government. I pay 28 percent of the cost. The Government and the taxpayers pay 72 percent of the cost. I get choice in my health care plan. My constituents have said, I want choice like you have it. We are allowing Medicare patients to have choice. They can keep what they have or they can get into whole new different programs that are going to be provided which we call MedicarePlus.

I will conclude my comments. I am delighted to yield to my colleague from Kansas who really can show much of what I have said and elaborate on that, but candidly provide new information just illustrating from charts that he has how important it is for us to get our financial house in order.

I intend to be here for part of his dialogue. I might interrupt him on occasion, but I yield to the gentleman from Kansas [Mr. TIAHRT]. I look forward to hearing what he has to say.

Mr. TIAHRT. Mr. Speaker, I think it is very interesting as you were laying out the Contract With America provisions and talking about the balanced budget provision, the Reconciliation Act, that you have got very good reasons why we should support the President's plan, our plan to balance the budget, and why the President should sign the Seven-Year Balanced Budget Reconciliation Act.

Not only are there important points there to sign but also, as you talked about the Contract With America, I want to make the point that it is really capturing the vision that Americans have. There is a passage in Proverbs that says, without a vision, the people perish. I think the people of America have had a vision for a very long time.

For 2 decades they had a vision of a balanced budget, just like this. They sit down at their kitchen table on a weekly or a monthly basis. They balance their budget through their checkbooks, paying their bills, weighing it

with what their income is. So it is their vision that this Government should be balancing its own books.

I think they have had a vision of a retirement plan that is free from worries about health care. So we are in this Reconciliation Act trying to preserve and protect Medicare, as stated so eloquently by the gentleman from Connecticut. I think the people of America have also had a vision of safe streets, of safe schools, of safe America.

I think that provisions that we are putting in, if you look at any yardstick in America today, whether it is drug abuse or illegitimacy or domestic violence or just violence itself, we are failing miserably. I think many of these problems have their roots in our current welfare system that is obviously broke. It is antifamily, it is antiwork, it teaches exactly the wrong thing for a free economy and a system of self-governance.

So I think as we look at this, and the last thing that I want to pick up on what the gentleman from Connecticut [Mr. SHAYS] said was that he talked about some of these tax credits. I think it is very important. I think we are alluding to it, that it is really their money. It is not our money. As was mentioned, the taxpayer is paying for a portion of our health care, it is their money. I think that, if there is a legacy that this Congress can leave behind, it is that it is not the Government's money that we are dealing with. It is the taxpayers' money. It is your money.

In the past, I think the people have felt out of touch with the Congress. Last November 8, almost a year ago to the day, many of us freshman Congressmen came in and joined individuals like the gentleman from Connecticut who were in touch with America and saw what their vision was, saw this vision of a balanced budget, preserve Medicare, welfare reform and of tax breaks.

They kind of have sent a message to us. I think we are still hearing it today in our town halls. We are hearing it in the coffee shops, Main Streets. I hear it when I visit manufacturing facilities in the Fourth District of Kansas.

I have brought a chart to kind of illustrate the marching orders that we have been given, this 104th Congress. In this chart it starts out saying, Congress' marching orders. The very first thing is balance the budget in 7 years. I think we cannot emphasize enough how important that is.

I would like to elaborate on it a little more as we go through. Briefly the rest of the marching orders are saving Medicare from bankruptcy, preserving and protecting it, as the gentleman from Connecticut talked about reforming welfare, and again providing tax relief for families and job creation. I think understanding back to this first one, balancing the budget, we really should illustrate it by showing what the real problem is.

I have a chart that illustrates that. It is called The Debt: 1960 to 2000, "Growing Out of Control." On this chart, briefly, it is difficult to see, I know, but it starts out in 1960. It goes to 2000 across the bottom. On the left side it starts at 0 trillion and goes to 7 trillion. As you can see, the red indicates how much Federal debt we have. It stays pretty well below \$1 billion until we get to the middle of the 1980's. At that time when our social programs kind of started spinning out of control, it started to climb until today, this year, we are right at approximately \$5 trillion in Federal debt. We are approaching \$5 trillion.

This is a legacy that we are passing on to our children. I have three children, and my older is 14 years old, Jessica. It has been 25 years since we have balanced this budget. If I look at the next 7 years, that makes her 21 years. If it takes as long to get out of this problem as it did to get into the problem, my daughter will be 53 years old. We have literally passed our problems onto the next generation. I think that we have an obligation, a moral obligation to our children and to this country to see that we have a balanced budget.

Mr. SHAYS. I would just make the point that, even with our 7 years plan, the national debt goes on another trillion dollars. Here we are having people saying we cannot do it in 7 years and that we need to stretch it out. Even then, we are allowing the debt to go up because we are trying to have a glide path where ultimately our expenses, slowing the growth of our expenses runs into revenue. But to me that 7 year balanced budget is the outer limit of what we should be doing.

Mr. TIAHRT. I think the glide path is a good example.

On my next chart, I am showing the difference between the second budget that we received from the administration and what we are looking at with this Reconciliation Act. You can see the glide path. Those who fly, it is very clear. As you approach a runway, you get down to touch down, and that is called the glide path. As you are slowly descending to the runway, this looks to go steeper than I like to land. But it illustrates the point fine. The administration's budget really does not balance over the next 7 years. But the plan that we have before us, in the Reconciliation Act and why it is so important for the President to sign, is that it does get to a balanced budget by the year 2000.

Mr. SHAYS. Just looking at that, the point needs to be made that the Congressional Budget Office has scored the President's budget and said his annual deficits are over \$200 billion during each of the next few years. That blue line just shows how we are going to get those deficits down to zero in the seventh year.

Mr. TIAHRT. As the gentleman pointed out, I want to talk to why we think it is important. Again it goes right back to the children. This chart

says why the Republican Congress is balancing the budget. First, for our children. I have three children, Jessica as I mentioned earlier. I also have two boys, John and Luke. I am worried about their future. The reason I got into politics is because I want to secure a future for them.

Just about a year and a half ago, there was a survey where two-thirds of Americans believed that their children would not have the same opportunity that they had. I think that is a sad statement for a system of self-governance. So we are trying to restore hope for our children so that they have more hope for the future, more opportunities for the future than we had growing up.

Number two, to accelerate long-term economic growth, if we do want to balance long-term economic growth, if we do want to balance the budget, we have to see our economy grow. A balanced budget does do that.

Number three, it reduces long-term interest rates. We will talk a little bit more about the significant impact it has on the American family and on the college students to reduce interest rates.

And to strengthen the financial markets, and again that is tied to number 2. If you hope to have long-term growth, you have to have a strong financial market.

Number five is to raise productivity. Number 6, reduce inflation, very important. And number 7, to strengthen our dollar. We have seen a dramatic slide in the dollar over the last 20 years. It is time for us to strengthen the dollar to keep those strong markets that we have.

I think that this was illustrated again by Alan Greenspan, who is the chairman of the Federal Reserve. I have a chart here that shows some of the things that he named as the benefits of balancing the budget. They are significantly common to what the Republicans are trying to do.

Number one, he says that the children will have the higher standards of living than their parents. We are talking once again about restoring the hope for our children. I want to pass on a legacy to my children so that they will have more opportunities, a better future than I had growing up. I have had some wonderful opportunities.

So I agree with Alan Greenspan, the chairman of the Federal Reserve.

Number two, improvement in the purchasing power of incomes. We have seen a dramatic slide. I think the working man has been hit the worst. Inflation and loss of purchasing power has really hit them in the pocketbook. It has made it difficult.

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And I think that is quite often why we see two-income families now, because if you look at the taxes that we have here at the Federal Government, which is about 25 percent of the income, you add in the State taxes, local taxes, hidden taxes. When I think about the wheat farmers in Kansas and

how they start to pay taxes on their land, and some of their equipment, and their parts, sales taxes, how they are tied in there, that the wheat goes to the miller to make flour, and then to the baker to make bread, and then to the grocer to be distributed, and there is taxes that are hidden in there, and by the time you add all those up, Americans pay more than 50 percent of their income to taxes. So it is no wonder we have two incomes. One person works just to pay the taxes while the other one tries to provide something for their family.

So we are trying to improve their purchasing power. Again rising productivity; we have done it with the previous chart; reduction in inflation. We have seen, as you mentioned, double-digit inflation in the past, and we want to keep our inflation rate down. Strengthening of financial markets—and, coming from the chairman of the Federal Reserve, I think that is a significant statement—acceleration of long-term economic growth and a significant drop in long-term interest rates.

Now I think that when you talk about the American families and how this is going to impact them, I have got a chart—

Mr. SHAYS. Before you leave Alan Greenspan, I would just like to mention that he made a point to us in the committee. Some members said, "Well, Mr. Greenspan, isn't there a danger that Congress could cut too much and slow the growth of our economy?"

And he gave a very interesting response. He said to this Congressman—he said, "Congressman, Congressman I don't go to sleep at night fearful that when I wake up the next morning Congress will have cut too much."

His biggest point to us, his biggest point to us was, that, if we balance the Federal budget, interest rates will drop significantly, and I think you have a chart that illustrates the significance of that, if you, for instance, could just explain it.

Mr. TIAHRT. The chart starts out by saying Benefit to an American family of a balanced budget: Annual savings from a 2-percent interest reduction, just a reduction of 2 percent, and again it goes back to Mr. Greenspan saying that, if we would balance the budget, interest rates would drop 2 percent because the Government would not be out there competing for debt, which in turn competes for credit. So this is a 2-percent reduction in interest rates. On the average car loan of \$15,000 it would be an annual savings of \$180. On a student loan of \$11,000, it would be savings annually of \$216. But the biggest-ticket item of course is the mortgage, and right now, about the average mortgage, somewhere around \$100,000. If it was \$100,000, it would be reduced, just by going down 2 interest points, \$2,162 per year, a total annual savings of \$2,558.

And I think that talks about, you know, it reflects restoration of hope, getting more purchasing power for the

dollar. It is a very important issue, that we balance the budget.

Mr. SHAYS. The other point I would just make, that if businesses have less interest to pay on their plant and equipment, they are going to invest more in higher productivity, they are going to build new plant and equipment, create more jobs, and the American worker, the American worker, is going to be more productive. If the American worker is more productive, they are going to get more dollars for what they do.

Mr. TIAHRT. You made a point earlier when you talked about student loans, CHRIS and I just want to follow up on that because I have a chart that has exactly the same numbers that you referred to. We have heard that we are cutting student loans; we heard it just earlier this afternoon; but we are not cutting student loans. This is the estimated annual student loan spending starting in 1995 and going to the next year's budget. This is in the reconciliation plan, and you can see it is an increase. It starts at \$24.5 billion and it goes up to \$36.4 billion by the year 2002.

Now I do want to make one point, that we are going to take away some of the subsidies on interest payments for students once they graduate. There used to be a period of 6 months from the time they graduated until they made their first payment that the Government picked up those interest payments, but we do think people should work, and we want to encourage them to get into the work force and be productive, so we are not going to subsidize those, and it is going to mean about \$7 or \$8 a month, which we do not think is a significant fee.

Mr. SHAYS. That is for the student who has borrowed the maximum of \$17,000, and there still will be the grace period. We defer the payment on that interest and allow them to amortize it over the course of their entire loan.

Mr. TIAHRT. When we talked about a student loan—I am glad you pointed out the maximum amount of \$17,000—but I am going to go back to \$11,000 student loan just to match my chart here.

A 2-percent interest reduction, which is \$2,167 over the life of \$11,000 student loan; you know, there is a big current 8-percent interest rate. It is going to cost for that \$11,000 loan \$18,574 by a simple reduction of 2 percentage points. This is why it is so important, even for the student. It goes down to \$16,411.

So now we are increasing spending. I do not want to confuse this because we are increasing spending for each student, as we mentioned on this chart, going from \$24.5 billion to \$36.4 billion.

Mr. SHAYS. If I can just qualify that and make the point that no student is going to be allowed a student loan. They are going to get their student loans. What we do with this increased money is allow for more student loans. So we are going to go from about

6,700,000 in the 5th year, which is that \$33 billion. There are going to be 8,400 students getting student loans.

So more students are going to get student loans, and that is why this number goes up. There is going to be a lot more money in this system.

Mr. TIAHRT. More money in the system, student loans are going up, but for the individual student himself, for the one who is going to make the payments after he has received his education, if we can just lower his interest rate 2 percent, we can save that person some money, that American, that person with a vision for the future.

Mr. SHAYS. Significantly less more money.

Mr. TIAHRT. It goes from again \$18,578 down to \$16,411, a savings of \$2,167.

Now we are—I want to talk next about how the balance budget will lower interest rates, and in this chart here I think that we have talked—we have heard a lot about cuts, cuts here and cuts that, but in balancing the budget over the next 7 years we are still going to increase spending, and I brought a chart to illustrate that. And I think there has been kind of a misconception that is nothing but cuts, cuts, cuts, cuts. There really are not any cuts. We are really slowing the growth of Government, is what we are doing. We are slowing the growth of Government, not cutting. There are some true cuts like in defense, on outlays. Our outlays last year for fiscal year 1995, for defense was \$276 billion. This year, fiscal year 1996, is going to be \$267 billion in outlays. So there are some cuts, in defense for example, but overall Government, if you look between 1989 and 1995, we spent \$9.5 trillion, and looking forward over the next 7 years, 1996 to 2002, we are going to increase spending to \$12.1 trillion.

Now, if we did not do anything, if we did not try to balance the budget, and progressed, for example, on the President's plan, we would be spending \$13.3 trillion, so what we are doing is limiting the size of growth in the Federal Government, and I think that is one of the things that is very important.

Mr. SHAYS. I would just like to elaborate on this. I mean the significant point is that in overall spending of the Government and the taxpayer we are going to spend \$12.1 trillion in the next 7 years. We could, if we did nothing, like President Clinton basically advocated in his February budget and his budget of 2 years ago, we would go to \$13.3 trillion. What we are trying to do is slow the growth so ultimately spending will intersect with revenue in that 7th year, and I just make the point that I want to elaborate a little bit about we made some cuts, and we are proud of some of the cuts that we have made. We slowed the growth in other programs, and our disagreement with our colleagues on the other side of the aisle is sometimes they call a cut a cut when the spending is going to go up significantly, and that is where we dis-

agree with them. It is true we have a cut in foreign aid. We cut foreign aid. We are going to spend less dollars next year than we spend this year. That is a cut. I am willing to take the heat for that, but we did not cut EITC, we did not cut Medicare, we did not cut Medicaid, we did not cut the School Lunch Program, we did not cut the Student Loan Program and so on. A lot of the entitlements will still be allowed to grow.

Mr. TIAHRT. Those are excellent points, and I want to talk just briefly about one of the areas that we did cut just as an illustration.

We are going to dismantle the Department of Commerce and save, I believe, about \$3 billion, and this chart kind of symbolizes how we are going to do it. Basically what we are doing is we are eliminating duplication inside the Government. We are trying to do away with any waste, if we can find it, and then we are getting rid of some of the unnecessary bureaucracy, but you can see some of these areas, like the National Institute of Science and Technology, is going to be consolidated along without others, some of them like technical policy are going to be eliminated, so through a process of consolidation and elimination we are going to get rid of the waste, we are going to get rid of any abuse, we are going to consolidate part of the bureaucracy, and that is part of the cuts that I think are good, commonsense cuts that people do in their everyday lives when they have to limit their growth.

Mr. SHAYS. One of the points that I love about what we are doing with the Commerce Department, we are going to take all the trade functions and put them under one category because we do believe that a significant part of our economic growth is going to be the products that we export overseas. So we are going to consolidate our Trade Representative and all the trade functions within the Commerce Department under the Trade Representative. Makes a lot more sense, it seems to me, to do it that way.

Mr. TIAHRT. This is one of the items that was in the Seven-Year Balanced Budget Reconciliation Act that we hope the President will sign. Next year we are going to look at some other agencies like the Department of Energy and see if there is some duplication we can reduce. I think that the balanced budget is, again, restoring the vision of the American people, trying to get government to conform with the way they live their lives, and I think if we are successful in doing this, we will help fulfill the promises that the American people want from Washington, DC, not necessarily from a Republican, or from a Democrat, or from the administration, but from all of us here in Washington, DC.

That brings us to the second point that I think we want to talk about because we have heard so much about the cuts in Medicare. I first want to em-

phasize the point that we have a problem with Medicare, and it was emphasized on April 3, 1995. The top of this chart says the conclusion of the Medicare trustees. The quote here is, and it is right out of their report—

Mr. SHAYS. Will the gentleman slow down a little bit? This is really important, and we have time to really make sure that we are making this point clear.

Mr. TIAHRT. OK. I guess I am getting just a little bit excited.

Mr. SHAYS. Yes, there is plenty to talk about, but this is very important.

Mr. TIAHRT. The President's board of trustees for Social Security and Medicare issued this report. We have duplicated three of the signatures. There are other signatures there, but these are the Members from the President's Cabinet. This report talked to us about the impending crisis in Medicare. It says the present financial schedule for Medicare programs is sufficient to insure that payments and benefits only over the next 7 years, and I have a second chart that will kind of help illustrate how Medicare is in fact—

Mr. SHAYS. This is the President's own Cabinet that said this in addition to the head of the Social Security trust fund, basically saying that Medicare becomes insolvent next year, and then what happens?

Mr. TIAHRT. This chart illustrates that, as the gentleman from Connecticut is pointing out. The part A trust fund is going to be empty in 2002; in other words, it is going to be bankrupt. This chart is in billions of dollars on the left-hand side, it has zero in the middle, the bottom being minus 150 billion, the top being 150 billion, which is approximately where the fund is today, and over the next 7 years you can see this red line goes down until it crosses zero, and in 2002 we actually would achieve bankruptcy if we do not do anything to preserve and protect Medicare.

Mr. SHAYS. I wonder if I could just point out what those numbers are in the trust fund in 1995 there is \$136 billion. It only drops a billion next year to 135, but in 1997, it goes to 129, then it goes to 117, then it goes to 98. In the year 2000, it goes to 72; in the year 2001 it drops 37, and then in the year 2002 it will have a minus 7 billion. That is the fund that pays for all the hospital care. And then the only way that if we do not save this fund from bankruptcy the only way hospital care will be taken care of is, as the payroll tax brings in money it immediately is grabbed out, but there is not enough to pay for all the costs of the Medicare part A trust fund needs of hospital care.

Mr. TIAHRT. I have a chart here to illustrate how spending is going to increase in Medicare and still save what is going to be a bankrupt fund if we do not do something about it. We have heard, and the reason I bring this chart I think is important to note and we have heard it here on the floor this

afternoon, that there are cuts in the Medicare program of \$270 billion. This is something that has been spread, I think, nationwide. I have heard it in some of my town meetings, and so I go to great pains to try to explain to people how we are increasing spending in Medicare and still going to make the funds solvent, as the gentleman from Connecticut [Mr. SHAYS] has pointed out.

□ 1715

This chart says "Medicare spending per recipient in the Republican budget." It starts out here in 1995 with \$4,816, and then projected over the next 7 years we will be spending \$6,734. I think you made a very good point when you were speaking earlier. You said there will be more people in the Medicare system in 2002, more people in the system, and they will be receiving more financial benefits and still make the system solvent.

Mr. SHAYS. It is really amazing when we think about it. We have taken a program that will have \$4,800 per beneficiary and in the 7th year they will have \$6,700 per beneficiary, so that takes into consideration all the new people in the system, more than we need even to deal with the basic inflation. Yet people, and you have it right at the bottom of your chart, where is the cut? Where is the cut? Where is the cut?

Mr. TIAHRT. To try to make it a little more understandable, if you were a baseball player, maybe you could understand it if we put 48 baseballs in one basket and in another basket we put 67 baseballs, and ask them, "Which basket has more balls?" I think they would say the one with 67 baseballs in it has more. That would be an increase, would it not?

Mr. SHAYS. Yes, it sure would.

Mr. TIAHRT. Like a golfer. If you had 48 golf balls in one cart and 67 golf balls in the other cart, is that an increase or decrease in golf balls? It is very simple.

I want to emphasize this, I would say to the gentleman from Connecticut, because I think what is important here is that we have heard so much about cuts. We are starting to see a widening gap in credibility. There are no cuts. As this chart says: "Where is the cut?"

Mr. SHAYS. Mr. Speaker, does the gentleman have another chart on Medicare? I would love to just make the point by saying we save money in the program by doing a host of things, but one of the things we do, we provide that health care fraud will now be a Federal offense, and not just Medicare frauds, but Medicaid fraud and other not private health care fraud will be a Federal offense, and we are going to go after the extraordinary waste in the system.

Do you know that in Medicare, I would just make the point, when we look at what HCFA, who runs this program, is able to do, believe it or not, HCFA cannot tell you what hospitals

were given what money a month after the fact, 2 months after the fact. They cannot tell you why the hospitals were given certain sums of money.

Home Depot, on the other hand, when they open their store at 6 o'clock in the morning, at 9 o'clock in the morning they can tell you what products sold in their store from 6 to 8:59. They have already started to reorder their inventory.

There is extraordinary waste, fraud, and abuse in this system. I have men tell me that they have been sent bills for giving birth. I have women tell me that they have been charged for operating that are not humanly possible on a woman. We have had story after story of how people can abuse this system, and we are, for the first time, going to be in a very focused way getting at the waste, fraud, and abuse in this system.

That is where we get some of the savings. We get some of the savings by the fact that people will opt into private care, which is far more efficient, and will provide a better service for a lower cost. So the actual beneficiary, though, pays no more in copayment, no more in deduction. The premium stays the same, unless you are very affluent. You can stay in your fee-for-service system, and if you want, and only if you want, you can leave. If you leave and you do not like it, for the first 2 years you can go back every month into your old fee-for-service system. Only in the 3d year are you locked into that program for a whole year.

Mr. TIAHRT. I think you make a good point, that if you just do absolutely nothing and you are a senior, your Medicare benefits will continue as they were before, but if you choose to move into a managed care plan, another type of plan, then it is your selection, it is your alternative, it is your choice.

I think that is a very important difference between what we saw with the old Medicare plan, which was a 1960's Blue Cross-Blue Shield plan that has been frozen in time for 30 years, the rest of health care increasing, maturing, developing for 30 years. Now we are just trying to bring Medicare up to date, allow some options. But if a senior, again, chooses not to do a thing, they will stay in the current Medicare program.

Mr. SHAYS. If they stay in the current system they cannot be removed. In other words, they can only be changed into private care if they proactively ask to. It is not like the telephone, where you find yourself switched. You can stay right where you are.

Mr. TIAHRT. I want to talk about one of the visions I think the American public had, and that is reforming our welfare system. We have heard a lot about it in the campaigns for the last dozen years. Now we have a plan that is in our 7-year Balanced Budget Reconciliation Act. This is, again, another reason why we think the President should sign this bill into law.

In welfare reform, I think we have been kind of attacked in saying that we are cutting spending for welfare. If you look at the chart I have brought, it talks about welfare reform the last 7 years compared to the next 7 years. On the left side here we have spending which is in billions, and across the bottom we have three columns. The first is 1989 to 1995, or in other words, the last 7 years. That is \$492 billion, which is a lot, half a trillion, a lot of money. The next 7 years we are going to increase that \$346 billion over what we did in the first column of 1989 to 1995. So from 1996 to 2002 we are going to increase spending.

If we did nothing and took current projections, we would spend up to \$949 billion, but by moving block grants on welfare to the States and trying to get the solution closer to the problem, we are going to save some money over the next 7 years.

I just have to tell you one story about a lady that I talked with in Wichita, KS. She works for the Social Rehabilitation Services, which is how welfare is conducted, the agency that conducts welfare in the State of Kansas.

She said, "I am very concerned about block grants, because how will this Federal guideline be affected and how will that Federal guideline be affected?" I said, "Ma'am, if you could have the autonomy and the authority to take this money that you receive in your budget and apply it to the problem, could you do a better job than what these guidelines say?" And she said, "Oh, absolutely." I said, "That is what we are trying to do. We are trying to move the solution closer to the problem and give that worker in Wichita, Kansas, the autonomy and the authority to meet the problem, the funding to meet the problem."

Mr. SHAYS. I would love to weigh in on this. I represent an urban area, I think I am one of the probably few Republicans that represents an urban district. I represent Stanford, Norwalk, and the city of Bridgeport. The city of Bridgeport—a few years ago—attempted to go bankrupt and, candidly, it is getting itself back in line and getting its financial house back in order as well. As someone who has been involved in government and has voted for a lot of welfare programs, I have had to ask myself, what have I done?

This is what I look at and see. I see 12-year-olds having babies, I see 14-year-olds selling drugs, 14-years-olds. I see 15-year-olds killing each other. I see 18-year-olds who cannot read their diplomas. I see 24-year-olds who have never had a job, or if they had a job, say, at McDonald's, they would say it was a deadend job. If I ever said that to my dad, he would say, "Son, how many hours are you working?" and if I said "Dad, I am working 10 hours," he would have said "It just increased to 15," because he knew the value of waking up in the morning, earning my

keep, and being of service, being useful to society in a very proactive way.

Then I think of my 80-year old grandparents. We have created a legacy that has to change. We have to be willing to confront how we have voted in the past, how we can change it.

I want to be part of a caring society. We have been a caretaking society. In the process of being a caretaking society, I think we have destroyed generations of young people who now cannot be productive. We have given them the food, we have not taught the how to grow the seed. For our Republican revolution to have a positive impact ultimately, we have got to teach people how to grow the seed. That is what we are trying to do with our welfare reform.

Mr. TIAHRT. Exactly right. Mr. Speaker, I want to tell the gentleman about some of the other things we have. We are going to consolidate some of these programs, 22 current programs to eliminate child abuse, consolidate them, again reducing some of the redundancy, making it more efficient. We are going to consolidate child care programs, increasing the spending to \$2 billion per year, and nutrition programs. I think this is something that the Republicans took an unfair hit on.

We heard last spring that the Republicans were cutting what was going to be spent for children and that they would be starving. I have heard absolutely no reports in the Fourth District of Kansas or anywhere in the Nation that there are kids starving right now. In fact, I was in the Dodge Edison School in Wichita, KS, and saw the lunch program. They are doing very well. They are thinking about contracting it outside. Overall, we are increasing spending for nutrition programs 4.5 percent per year, and over the next 7 years that is going to be a \$1 billion increase. There will be no starving children under this.

Mr. SHAYS. Could I just jump in here under the school lunch program, Mr. Speaker, because we talk in our circles about not ever being school-lunched again. It was the first time we encountered where we were going to increase a program and people called it a cut. Instead of it growing 5.2 percent a year, we allow it to grow 4.5 percent a year.

But we do something very important. We allow the local communities to adjust 20 percent of the cost, because a lot of wealthy communities get 30 cents per child. We are going to allow States to say wealthy communities maybe should not get that, and a poorer city, maybe like Bridgeport, can have a breakfast program. So we are going to allow States the discretion to focus these programs where they think it is most needed, but they are going up.

Mr. TIAHRT. I want to move on to the last thing. This is talking about the reduction in taxes that we have in the 7-year Balanced Budget Reconciliation Act, and why I think it is impor-

tant to fulfill the vision of the American people, and also to stay on this plan, why the President should stay on it.

The President did say on October 17 in a roomful of people, he said, "The people in the room are still mad about the 1993 budget, and they think I raised their taxes too much." He said, "It might surprise you to know that I think I raised taxes too much, too." I just illustrate a point, because I think what he has captured here is the vision of the American people. We have to go back to the premise that it is not the Government's money, it is the taxpayers' money, it is their money. I think the President has captured that.

When we look at who is going to be benefitting from this family tax credit of \$500 per child, and now this is based on the plan that went out of the House, and because of your committee work, I would say to the gentleman from Connecticut [Mr. SHAYS], I know he has some further information and may want to correct the chart a little.

First I want to say one thing, I heard there was a person who was going to get a \$20,000 break in their taxes, some alleged rich individual. I got to thinking about that. At \$500 per child, he would have had to have had 40 children to get a \$20,000 tax break. I hope that he is wealthy if he has 40 children. But if you look at the plan that we have, 75 percent of the people, 74 percent of the people, who will benefit from this make below \$75,000, and 10 percent only make over \$100,000. So a large majority of the people who will benefit from what is in the current plan are making less, they are not the wealthy people.

Mr. SHAYS. I would love to weigh in on this issue. My parents raised four boys. I was the youngest of four boys born in the mid-1940's. My parents, in today's dollars would have been able to deduct, per child, \$8,200 per child. That is \$32,800 off the bottom line of their income. But a family today can only deduct \$2,500.

What we are trying to do with our family tax credit is give families today the same basic purchasing power, at least get them closer to the kind of purchasing power, that my folks had. I might make this point as well. My parents probably paid less than 12 percent of their total income in Federal, State, and local taxes, maybe 15 percent, Federal, State, and local. A family today pays anywhere from 25 percent to 40 percent, plus, in Federal, State, and local taxes. This eminently makes sense. We may end up where, when we agree with the Senate, that it will apply to any family making less than \$100,000. So then what you will have, you will have it focused primarily on those with the most need.

Mr. TIAHRT. I am not here to defend the rich, because that has been kind of the premise of the argument, is that the rich are getting the tax break. I really do not think that is true at all.

Mr. SHAYS. That is not true, to start with.

Mr. TIAHRT. No. 1, it is not true, and No. 2, it is not fair. But I want to say one thing, I received some information, it was published in Human Events, on page 9 of their November 3 issue. It says that the top 29 percent of individuals who pay income taxes, they pay \$4 out of every \$5 that is paid into the Federal Government in the form of taxes.

The top 25 percent, which a lot of people think that is the wealthiest people, and they should be paying \$4 out of \$5 in taxes. But let me tell you where the top 25 percent hits. That is everyone who makes \$41,000 or above. If you make \$41,000, I do not consider you rich. In fact, to get to the top 5 percent, you go up to \$87,000. There is some question there, if people are well off at \$87,000, but the bottom 50 percent of individuals who pay Federal income taxes only pay 5 percent of the tax burden. That is \$1 out of every \$20 that comes into the Government. Really, that is what this per-child tax credit is designed to hit, that bottom 50 percent. It will mean the most to them. They need the break.

I think about my brother-in-law who is currently on strike, an employee at the Boeing Co. They are on strike. He has three boys. I want him to know there is \$1,500 available for him next year to catch up from the strike. It may go on through the rest of the year.

Mr. SHAYS. What it is is a tax credit. In other words, the taxes he paid, he will get \$1,500 back in taxes he paid.

Mr. TIAHRT. That is exactly right. That makes a very good point.

I want to go back to the point the gentleman made earlier about the earned income tax credit, because we heard that we were dramatically cutting and trying to balance the budget on the backs of the poor people. If you look at the last 7 years, how much spending there has been in the earned income tax credit, it was \$71 billion. We are going to increase that, under this plan that we hope that the President will sign, we are going to increase it to \$173 billion.

□ 1730

Now, that is a very big increase, a 144 percent increase. So we are not balancing the budget on the backs of the poor.

I want to talk a little bit about where the cuts are coming from, because they are not coming from Medicare, they are not coming from Medicaid, they are not coming from nutrition, they are not coming from the earned income tax credit.

Mr. SHAYS. Mr. Speaker, if the gentleman will yield, it is because we are spending more money in all of those areas.

Mr. TIAHRT. Mr. Speaker, that is absolutely right, and a very good point. We are spending more money in all of those areas.

These are where the cuts are going to come from, the tax cuts, and they are already paid for; I want to emphasize

that, they are already paid for. We have made \$151 billion worth of cuts in the discretionary spending.

Mr. SHAYS. Mr. Speaker, if the gentleman would further yield so that I could just elaborate, that is what we do in our appropriations votes, when we vote out our appropriations bills to fund the Treasury Department or to fund HUD or any of these other programs, we reduce the amount of money that we are allowing these departments to have.

Mr. TIAHRT. Mr. Speaker, we are just trying to run government more effectively.

The next one is by consolidating. We went through some of the programs and we are consolidating and reducing some of the growths through block grants to the States, and we are going to reduce our welfare through welfare reform \$89 billion; through reform in the Federal workplace and retirement, we are going to reform that \$10 billion.

We are going to save, by extending the spectrum, when we auction off different waive lengths for radio and television, we are going to see a tax cut paid for with \$15 billion from extending the spectrum auction. We are going to sell off some of the raw resources we have. The uranium enrichment privatization plan is going to save \$1.7 billion.

Our total spending cuts are \$268.3 billion, if we add all of that up, and what are our tax cuts? Our tax cuts are \$245 billion.

Mr. SHAYS. Mr. Speaker, I don't see anywhere in there, any savings in Medicare or Medicaid that contributed to the tax cuts. The tax cuts were funded, taken care of before we ever voted on Medicaid or Medicare.

Mr. TIAHRT. Mr. Speaker, the gentleman from Connecticut [Mr. SHAYS] makes a very good point. It is totally unrelated, and it addresses the credibility gap that we have seen widening.

Mr. SHAYS. Mr. Speaker, if the gentleman will yield, we have about 3 more minutes, and I want to make sure that the gentleman is able to finish up on those issues that are important to him.

Mr. TIAHRT. Mr. Speaker, I want to quote my Uncle John Armstrong. He said, "If you want something bad enough, any excuse to get it is a good excuse."

I think about how we have had a shift in power and we have seen some of the top switch and we have had kind of a problem or a widening in the credibility gap. They said we are cutting student loans; they are going up. They have said that we are cutting Medicare; we are increasing spending. The income tax credit, we just talked about that. Nutrition programs, we just talked about that.

What we are talking about, though, is restoring the vision of the American people. That is why I believe that the President should sign the Seven-Year Balanced Budget Reconciliation Act. That is why I think the American people want him to do that.

Mr. Speaker, if my colleagues would look at the provisions inside the bill, it encapsulates the visions of America, to having a balanced budget to secure hope for the future for their children, to preserve and protect Medicare, to reform welfare, and to give the tax breaks to the kids so that the parents can spend the money on them rather than the government. I think that restores the vision that the American public holds. So I hope that the President will sign the bill.

Mr. SHAYS. Mr. Speaker, I would like to thank the gentleman from Kansas [Mr. TIAHRT] for joining me in this effort, and I have learned a lot from his charts.

I would like to say that I have never been more proud to be part of a new majority than this Republican majority that candidly is trying to take on getting our financial house in order, balancing our budget, saving our trust funds, particularly Medicare, and transforming the social and corporate welfare state into what has to become an opportunity society. All of the new Members that we have have made an incredible difference in this effort. They have been the driving force with some of the sophomore class as well, and it has just been absolutely a thrill to welcome our new Members and it has been a wonderful opportunity for me to share in this essential order, and I thank the gentleman from Kansas for his extraordinary good work, his dedication, and giving us the opportunity to be in the majority.

VACATION OF SPECIAL ORDER

Mr. FALEOMAVAEGA. Mr. Speaker, I ask unanimous consent to vacate my 5-minute special order.

The SPEAKER pro tempore (Mr. NETHERCUTT). Is there objection to the request of the gentleman from American Samoa?

There was no objection.

U.S. ACCESSION TO SOUTH PACIFIC NUCLEAR FREE ZONE TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to express my deep sense of pride and to share with our colleagues and our great Nation an event of historic importance to the countries of the Pacific region.

On Friday, October 20, at the United Nations, the United States, France, and Great Britain formally announced they have decided to join the South Pacific Nuclear Free Zone Treaty and will complete signing of the protocols to the treaty by mid-1996.

The South Pacific Nuclear Free Zone Treaty, commonly referred to by its acronym "SPNFZ," is known formally as the Treaty of Rarotonga since it was signed by the leaders of the Pacific na-

tions on the island of Rarotonga in the Cook Islands.

The Treaty of Rarotonga came into force in December 1986 after ratification initially by eight countries, thereby establishing the South Pacific nuclear free zone to combat nuclear weapons proliferation and the reckless disposal of nuclear wastes. Today, 11 Pacific Island nations—Australia, the Cook Islands, Fiji, Kiribati, Nauru, New Zealand, Niue, Papua New Guinea, Solomon Islands, Tuvalu, and Western Samoa—are members of the treaty.

By banning the testing, stationing, manufacturing, and use of nuclear weapons in the zone, the Treaty of Rarotonga is a symbol for the peoples of the South Pacific, expressing their high level of concern regarding nuclear weapons and the possibility of a nuclear disaster in the region. The treaty also prohibits parties from dumping radioactive waste at sea in the treaty zone, and provides for verification safeguards by the International Atomic Energy Agency. The treaty protocols, in addition to the foregoing, require the nuclear weapon states not to use or threaten to use nuclear weapons in the zone or against any South Pacific signatory of the treaty.

Mr. Speaker, the South Pacific nuclear free zone covers a vast area extending from the western coast of Australia and the Papua New Guinea-Indonesia border in the west, along the Equator in the north, to the boundaries of the Latin American nuclear free zone in the east, and the Antarctic nuclear free zone in the south.

I want to express my deepest appreciation and thanks to President Clinton for his decision to support the South Pacific nations in their desire to keep the region safe from nuclear destruction. The President's global leadership on nuclear nonproliferation, along with international outrage over France's resumption of nuclear testing in the Pacific, no doubt influenced France and Britain to join America in this historic development.

Mr. Speaker, the Clinton administration has identified nuclear proliferation as one of the greatest threats to United States and global security. I and many of our colleagues have long argued that to enhance U.S. credibility to build international support for successful extension of the nuclear Non-Proliferation Treaty [NPT] and negotiation of the Comprehensive Test Ban Treaty [CTBT], the administration should join the nuclear-free zone in the Pacific.

Mr. Speaker, since the Rarotonga Treaty took effect over 8 years ago, the island nations have eagerly sought United States support for a nuclear-weapon-free South Pacific. By refusing to sign the treaty, however, the United States was increasingly perceived as indifferent to the aspirations and concerns of our South Pacific allies—many of whom fought at our side during World War I, World War II, the Korean